



FEMA

March 13, 2006
DR-1628-CA, NR-40

Contacts:

OES – Tina Walker, 916-845-8400
FEMA – News Desk, 916-853-7727
SBA – Ben Raju, 916-735-1500

Disaster News

DISASTER GRANTS WON'T AFFECT SOCIAL SECURITY OR TAXES

SACRAMENTO, Calif. – Some Californians have expressed concern that state and federal disaster grants might cause them to sacrifice Social Security benefits, pay additional taxes, or give up income-based benefit programs, but state and federal officials say that concern is unfounded.

Henry Renteria, state coordinating officer and director of the Governor's Office of Emergency Services (OES), said "A state or federal grant to individuals does not add to their taxable income, as long as the grant is given as assistance to recover from a disaster."

Grants from the Federal Emergency Management Agency (FEMA) and OES to individual California citizens affected by this winter's floods have paid for temporary housing and for other needs assistance (ONA), which covers items such as personal property loss, medical care, and transportation.

"The grants do not affect a person's eligibility for other federal assistance programs," said Federal Coordinating Officer Tom Davies of FEMA. They are part of FEMA's mission to help victims of disaster return to normal life as quickly as possible."

Here are answers to typical questions:

Question: I'm between 62 and 65, and I receive Social Security benefits. If I earn more than a certain amount each year, I must repay part of my Social Security payment. Will FEMA grants add to my income and require me to repay Social Security?

Answer: No. FEMA grants for housing and ONA are not counted as income.

Question: I'm over 65, but if I earn more than a certain amount, I must pay tax on my Social Security income. Will FEMA grants boost my income and require me to pay tax on my Social Security income?

Answer: No. Again, the IRS does not count FEMA grants for housing and ONA as income.

Question: Will receiving a grant raise my income to the point that I am no longer eligible for Medicaid, welfare assistance, food stamps, or Temporary Assistance to Needy Families (TANF)?

Answer: No. Grants for housing and ONA are not counted as income in determining eligibility for any income-tested benefit programs that the U.S. government funds.

###